

EXHIBIT 2

Savings and Checking Disclosure Terms and Account Agreement



Welcome to ESL Federal Credit Union. Thank you for opening a new account with us. This Agreement describes the relationship between you and ESL Federal Credit Union. This is an important document. Please read it, and keep it in a safe place. You should ask us any questions you have about this Agreement.

GENERAL TERMS AND CONDITIONS

1. This Agreement establishes your rights and responsibilities as a member of ESL Federal Credit Union and the obligations of ESL Federal Credit Union to you. In this Agreement, ESL Federal Credit Union may be referred to as "ESL," "the credit union," "we" or "us". You may be referred to as "member," "you" or "yours". The word "account" means any one or more share or other accounts you have with ESL.

This Agreement is a contract between ESL and you. It will, along with the credit union's charter, by-laws and policies, govern all relationships between you and all other members of ESL and the credit union. Some accounts, for example loans, IRA, health savings accounts and trust accounts may have special rules which will be given to you separately. By signing a member account agreement, depositing money into your account or removing money out of your account, you indicate acceptance of the terms of this Agreement.

All questions or communications to us should be sent to:

ESL Federal Credit Union
P.O. Box 92714
Rochester, NY 14692-8814

2. To join the credit union, you must complete payment of one share (\$1.00) in your membership share account and have your application approved by an ESL authorized officer. You must retain a credit union membership share account to remain a member in good standing.

3. ESL reserves the right not to accept into membership any person who caused ESL or any other financial institution a loss or previously abused the privileges of ESL membership.

4. ESL will assess an Inactive Account/Low Balance Fee of up to \$5.00 each month, close your account(s) and change your status to Inactive Member on accounts of members 18 years or older if:

- a. You have not initiated activity for one year, AND
- b. The aggregate balance in all your share accounts is less than \$100.00, AND
- c. You have no active loans.

You may lose your membership if your account carries a zero (\$0.00) balance for a period of six months or longer. If you have not caused ESL a financial loss, you may establish a new membership at any time if you remain eligible for membership.

5. You may choose to terminate your membership in the credit union by withdrawing all shares from the accounts you have an ownership interest in, including all shares in your membership share account, and indicating to an ESL Representative, either verbally or in writing, that you intend to terminate your membership. However, we reserve the right to require you to give us seven days notice in writing before an intended withdrawal. In certain circumstances, we may require your signature to close your account.

If after you terminate your membership you choose to open accounts with us, you will need to prove that you remain eligible for membership at ESL.

6. ESL reserves the right to terminate any of your accounts at any time without notice to you or may require you to close any of your accounts and apply for new accounts if:

- a. There is change in owners or authorized signers;
- b. There has been a forgery or fraud reported or committed involving your account;
- c. There is a dispute as to the ownership of an account or the funds in an account;
- d. There has been any misrepresentation or any other abuse of any of your accounts;
- e. It is deemed necessary to prevent a loss to the credit union;
- f. It is reported that an access device has been lost or stolen, including but not limited to the following access devices: your checks, ESL ATM Card, ESL Visa® Check Card, ESL VISA® HSA Card or both your member number and password(s) for TEL-ESL or ESL Online Banking;
- g. There are excessive returned unpaid items not covered by an overdraft protection plan.

Joint accounts may also be terminated for other reasons described in Section 17 of this Agreement.

7. If either ESL or you close one of your accounts and you have periodic payments deposited to your account or pre-authorized withdrawals (also known as debits) taken from your account, you must notify the third parties initiating the transaction that your account is being closed. ESL will not be liable to you for any damages you incur due to your failure to notify third parties that your account was closed. After your account is closed, we will return, to the originating financial institution, any debits or payments we receive.

8. Any termination of this Agreement, either by us or by you, will not release you from any fees or other obligations you incurred before termination or you incur in the process of closing your account. ESL is not responsible for payment of any check, withdrawal or any other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse the credit union.

9. Accounts are not transferable or assignable by you or any joint owners without the expressed written approval of an authorized officer of the credit union.

10. If you have caused ESL a loss, behaved abusively toward ESL employees or members, persistently and egregiously violated commonly accepted standards of personal hygiene or public manners, or participated in any unsafe or unsound practice through which the interests of ESL or its members has been or could be jeopardized, you may have all or some credit union services reduced or denied within the limits of applicable law which pertain to the loss incurred. You will maintain the right to a dividend bearing membership share account. Deposits may be made only by mail. Withdrawals may be made only by mail with a credit union check made payable to you mailed to your address of record.

To have services reinstated, you must submit in writing an explanation of the circumstances that caused the loss or your prior behavior and the specific services you wish to have reinstated. ESL must be reimbursed for any loss, including but not limited to, late charges and collection fees, including court costs and reasonable attorney's fees.

To find out if you are eligible to have either your ESL membership or services reinstated, please contact us at 585.336.1000 or 800.848.2265, use ESL Chat Banking at esl.org or visit one of our branches.

CREDIT UNION LIEN AND RIGHT OF SETOFF

11. If you are indebted to ESL as a borrower, co-borrower, co-signer or guarantor, federal law provides us with a lien on any share account funds in which you have an ownership interest, regardless of the source of funds, unless prohibited by law. We may apply these funds in any order, without prior notice to you, to pay off your indebtedness. If we choose not to enforce our lien, we do not waive our right to enforce the lien at a later time.

12. As part of this Agreement, you grant to us a right to and a lien on all funds in any account, except as prohibited by law, which you hold, either in your name or as a joint account owner at ESL. (This right or lien is sometimes called the right of setoff or offset.) The credit union may use the funds to pay a debt owed to the credit union even if the withdrawal results in a dividend penalty or the dishonor of checks. In the case of a joint account, each joint owner agrees that the credit union may use all the funds in the account to satisfy any of his or her individual obligations. Similarly, each joint owner agrees that the credit union may use the money in their individual account to satisfy obligations in any joint accounts. If we choose not to enforce this right or lien, we do not waive our right to enforce the right or lien at a later time. You permit us to exercise this right or lien without any further notice to you, other than any notice required by law, to satisfy any amount owed to us by you, including without limitation, loans in default, fees, charges and costs, including court costs and reasonable attorney's fees, associated with our services.

13. Accounts at ESL may be held by an individual member, jointly with other members or non-members, and in trusts, both revocable and irrevocable. When an account is opened, you will tell us the type of account you wish us to open and will sign a signature card for that account.

14. ESL accepts for deposit cash, checks and other orders of payment and negotiable instruments. All deposits are subject to final payment on any deposited instruments in the normal course of business. Funds are made available according to the Funds Availability Policy.

If you fail to include an endorsement, the credit union may, but is not required, to supply the missing endorsement. You agree to reimburse ESL for any loss or expense that ESL incurs because you fail to endorse the item exactly as it was drawn. These fees may include, but are not limited to, court costs and reasonable attorney's fees.

If you make a deposit on a day we are closed or on a day we are open but after our business hours, we will consider that the deposit was made on the next business day we are open. If a check, draft or item that is payable to two or more persons is ambiguous as to whether it is payable to either or both persons, we may process the check, draft or item as though it were payable to either person.

15. ESL will send to you a statement for each account monthly, quarterly or annually depending on the account type and activities, such as electronic transfers. You agree that only one statement is necessary for accounts with joint owners. You agree that for a Free Checking Account, Premier Checking Account and an ESL Health Savings Account, the original check becomes the property of the credit union and will not be returned, although copies of original or substitute checks are available to you upon request.

If your paper statement is returned to us undelivered, we will destroy it. If you do not receive a statement within 14 days of when you normally receive the statement, you agree to notify us and we will send you another.

You may choose to receive your statement electronically by signing a separate agreement which is available at our website (esl.org). Statements will not be sent to you if you have initiated no activity for at least 12 months and your collective share balance is less than \$250.00.

You are responsible for examining each and every statement sent to you for each account. You must report to us any transactions that appear to be incorrect, inaccurate, fraudulent or unauthorized in any way. If you fail to report to us within the time frames set by law, you will be responsible for any such transaction.

16. If you open an account by yourself, you are the sole owner of the account. You are the only person authorized to engage in transactions on this account. You may designate another person to engage in transactions on this account without granting him or her any ownership interest in your account through a power of attorney on a form acceptable to us. Upon your death, the funds in the account will pass to your estate or your heirs in accordance with applicable law.

17. An account opened by two or more persons is a joint account. Each person designated on the account application is a joint owner of the account. Each joint owner must apply for and be accepted as an ESL member and be an owner of a membership share account.

If you have a joint account, your deposit and any additional deposits will become the property of you and all other persons named as joint owners on the account as equal joint tenants with the right of survivorship and not as tenants in common. ESL must honor checks or orders drawn on the account or withdrawal requests from any owner during the lifetime of all owners and the surviving owners after the death of any owner. Any owner during the lifetime of all owners is authorized to withdraw any or all funds from this account. ESL may be required by law or regulation to remit all funds held in a joint account to satisfy a judgment entered against, or other valid debt incurred by, any owner of the account.

ESL may treat the account after the death of any owner as the sole property of any surviving joint account owner. This means that when one owner dies, all sums in the account will belong to any surviving owners. A surviving owner's interest is subject to the credit union's statutory lien and right of offset for the obligations the deceased owner owes to the credit union, and to any security interest or pledge granted by the deceased owner to the credit union even if the surviving owner did not consent to it.

ESL may act pursuant to any of the joint account owner's signatures. This means any owner can, for example, without the consent of any other owners, endorse checks for deposit that are payable to any account owner, withdraw all available funds, stop payment on items and transfer or pledge to us all or any part of the shares. ESL has no duty to notify any owners about any transactions. ESL shall not be liable to any owner as to such amounts so paid prior to the receipt by ESL of a notice in writing signed by any owner not to pay or deliver such joint owner additions or dividends thereon in accordance with the terms of the account. After receipt of such notice, ESL will require the signature of all joint owners for any further payments or delivery of funds. If we receive a written notice of a dispute between account owners or inconsistent instructions from them, we reserve the right, at our sole discretion, to suspend or terminate the account until receipt of a court order or written consent of all account owners. All owners are jointly and severally liable for all obligations of the account.

If a deposited item is returned to the account is overdrawn or if we do not receive final payment on any transaction, all owners are liable jointly and severally to the credit union for the amount of the returned item, overdraft or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of any owner or all funds in the joint account regardless of who contributed them.

18. ESL will require additional documentation for certain accounts established by trusts or accounts with beneficiaries or accounts set up by fiduciaries (including but not limited to custodians, guardians, Veterans Administration legal representatives and Social Security representative payees). A revocable trust may open an account only if the trust's grantor is a member of the credit union. An irrevocable trust may open an account when either the trust's grantor is a member of the credit union or all of the trust beneficiaries qualify for membership at the credit union. ESL may require a trust to name the trust's beneficiaries in order to attach their names to the trust's accounts.

SHARE DRAFT (CHECKING) ACCOUNTS, MONEY MAKER SHARE ACCOUNTS, TIERED SAVINGS ACCOUNTS AND HEALTH SAVINGS ACCOUNTS

19. FOR PREMIER CHECKING ACCOUNTS ONLY: Our Premier Checking Account is a variable rate account. The dividend rate paid for your account is _____% with an annual percentage yield (APY) of _____%. Your dividend rate paid and APY may change after the account is opened. We use the daily balance method to calculate dividends on your account. This method applies a daily periodic rate to the principal and dividends in the account each day. At our sole discretion, we may change the dividend rate on your account at any time. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks) is credited to your account. Dividends are compounded daily and are credited on the last day of each month. If you close your account before the dividends are credited, you will receive the dividends accrued at the time of closing.

You must deposit at least \$1.00 to open this account. There is no monthly service charge if you maintain a minimum average daily balance of \$1,000 for the calendar month. If your average daily balance falls below \$1,000 for the calendar month, you will be charged a fee (refer to a Fee Schedule for the exact fee charged). This account permits an unlimited number of deposits and withdrawals.

20. FOR FREE CHECKING ACCOUNTS ONLY: No dividends are paid on this checking account.

You must deposit at least \$1.00 to open this account.

This account permits an unlimited number of deposits and withdrawals.

21. FOR SIMPLE SPENDING ACCOUNTS ONLY: No dividends are paid on this checking account.

You must deposit at least \$1.00 to open this account.

This account permits an unlimited number of deposits and withdrawals. This account does not have check writing privileges. You cannot order paper checks for this account. If a check (paper or electronic) is presented for payment, it will not be paid and will be returned to the maker even if there are sufficient funds in the account.

A monthly fee will be charged for this account (refer to a Fee Schedule for the exact fee charged).

Overdraft Options

Overdraft options are not available on this account. Any ATM, POS, ACH or Visa Check Card transaction initiated for an amount over your available account balance may be declined.

22. FOR MONEY MAKER SHARE ACCOUNTS ONLY: Our Money Maker Account is a variable rate account. If your daily balance is \$50,000 or more, the dividend rate paid on the entire balance in your account will be _____% with an annual percentage yield (APY) of _____%. If your daily balance is \$25,000 or more but less than \$50,000, the dividend rate paid on the entire balance in your account will be _____% with an APY of _____%. If your daily balance is \$10,000 or more but less than \$25,000, the dividend rate paid on the entire balance in your account will be _____% with an APY of _____%. If your daily balance is \$2,500 or more but less than \$10,000, the dividend rate paid on the entire balance in your account will be _____% with an APY of _____%. If your daily balance is less than \$2,500, the dividend rate paid on the entire balance in your account will be _____% with an APY of _____%. Your dividend rate and APY may change after the account is opened. Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day. At our sole discretion, we may change the dividend rate on your account at any time. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks) is credited to your account. Dividends are compounded monthly and credited on the last day of the month. If you close your accounts before the dividends are credited, you will receive the dividends accrued at the time of closing.

You must deposit at least \$2,500.00 to open this account.

There is a limit of six withdrawals a month you can make by a pre-authorized, automatic or telephone transfer, including Internet transfers to a third party or to another account with us (excluding ESL Loan payments) or Money Maker checks. If more than six checks are received for payment in a month, ESL reserves the right to return those checks in excess of six to the payee. ESL reserves the right to cancel the draft privileges if more than six checks are paid per month for two or more months during any 12 month period. If you exceed any of these transaction limits in any statement period, ESL may close your account. ESL reserves the right to require at least seven days notice prior to withdrawal or transfer of any funds in this account.

You may access your funds from your HSA by writing HSA Checks, using your ESL Visa HSA Card, using ESL Bill Pay, ESL Online Banking and by withdrawal at any ESL Branch or ATM.

You must deposit/contribute at least \$1.00 to open this account.

This account has check writing privileges and permits unlimited withdrawals (distributions) and deposits (contributions) however, the total contribution amount is limited as defined by the IRS.

Withdrawals/Distributions

Any type of withdrawal (distribution) by you or an authorized user of this account will be considered a normal distribution and will be reported to the IRS as such. It is important to keep all receipts of medical expenses to prove you or your family member incurred the expenses. Please refer to IRS Publication 502 for more information about qualified medical expenses.

Deposits/Contributions

Deposits (contributions) made between January 1 and the tax return filing date will be treated as a current year contribution unless the account owner provides us with written instructions to treat it as a prior year contribution. Please refer to your Health Savings Custodial Account Agreement for additional information regarding contributions.

Documentation Requirements

Under IRS and Treasury regulations, all payments from your HSA require third-party documentation. Some transactions will be electronically documented and will not require after-purchase documentation requirements. You are responsible for meeting any documentation requirements.

Overdraft Options

Overdraft options are not available on this account. Federal law does not permit distributions that exceed what you have contributed to your HSA. This means if any transaction, fee or charge causes your HSA to have a negative balance, we will return the item and charge an insufficient funds fee (refer to a Fee Schedule for the exact fee charged). You agree to immediately repay the amount of any overdraft along with any associated fees.

Prohibited Transactions

If you or any authorized user engages in a prohibited transaction (as defined under Section 4975 of the Internal Revenue Code and as may be amended) with your HSA, the HSA will lose its tax exemption and you must include the value of your account in your gross income for that taxable year.

26. ESL may pay checks or other instruments drawn on the account on the day they reach us no matter what the date of the check or instrument. ESL may at its discretion elect not to pay a draft that is more than six months old. ESL may pay drafts that have been postdated and have not yet matured unless the member provides specific advance notice that the draft should not be honored until the posted date.

ESL may charge back at any time prior to midnight on its second banking day following the day of receipt, any item drawn on

if this instrument is drawn against insufficient funds or otherwise not good or payable. All other items are credited subject to the receipt of final payment in cash or solvent credits by ESL at our own office. Deposit and collection of all items shall be governed in other respects by applicable law. ESL shall not be liable for any damage caused by its premature payment of a postdated check, through accident or inadvertence, whether such damages arise from dishonor of a check subsequently presented or otherwise. ESL shall have all the rights of a purchaser and holder-in-due-course of a postdated check for which it pays out money or gives other value, in good faith, before the date of the instrument.

All transactions relating to your checking accounts are accepted subject to later verification, and correcting entries may be made if any errors are discovered. ESL shall not be responsible for payment of items which are presented the same day deposits are made, unless there is already a sufficient balance in the account in addition to such deposits.

You agree to use only the checks or other instruments approved by ESL for the account. ESL shall not be liable for any damage caused by your use of unapproved checks or other instruments. The credit union may return as unpaid any check that is not drawn on a form provided by the credit union. You agree to protect your blank checks and other instruments from theft or loss, and to notify us promptly if any blank check or other instruments are lost or stolen. You further agree to register a complaint of any theft of checks or other instruments or any unauthorized use of this account with a local law enforcement agency and to provide ESL with a copy of the law enforcement agency's official report.

If you voluntarily give information about your account (such as the credit union's routing number or your account number) to a third party, ESL presumes that you have authorized the receipt of that information to initiate debits to your account, even if a particular transaction may not be authorized. ESL will honor such debits until you take the actions required by law to stop them.

27. ESL will make every effort to honor your stop payment orders on your non-electronically initiated checks (share drafts). ESL will accept an oral notice of a stop payment order. Unless such stop payment order is cancelled or renewed, a stop payment order is effective for six months. ESL reserves the right to require a written stop payment order. To be effective, your stop payment order must identify the following:

- Check number.
- Account number on which the check was written.

ESL reserves the right in processing a stop payment order to require you to also identify the following:

- Name of the person who signed the check.
- Name of the payee on the check.
- Date of the check.
- Exact amount of the check.

we will stop the payment if the check does not clear. If you do not have enough funds to cover the payment, we must have enough advanced notice to ensure that our systems will be alerted to your stop payment order before the check clears. You must request a renewal in writing before the expiration of the prior stop payment order.

28. ESL is not liable for paying checks of members who have died or members who have been adjudicated incompetent if payment has been made prior to notification of the member's death or adjudication of incompetence. Even with that knowledge, the credit union may for 10 days after the date of death pay checks drawn by the member on or before the date of the member's death unless ordered to stop payment by a person claiming an interest in the account. We may require anyone claiming a deceased owner's account funds to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding on any account owner's heirs or legal representatives appointed by a court of proper jurisdiction.

29. ESL will not pay a check when funds are not available to cover it, and an overdraft fee will be assessed (refer to a Fee Schedule for the exact fee charged). We are only required to make one determination of the account balance. If that determination reveals insufficient available funds to pay the check or other item and you have requested CheckOK, unless prohibited by law and in our sole discretion, we may honor the check or other item and transfer the amount of overdraft from your regular Daily Dividend, Premier Money Maker or Money Maker Account; or if we have previously approved a Cash Reserve Account that is attached to your share draft account, we will honor checks drawn on insufficient funds and add the amount of the overdraft to your Cash Reserve Account up to your approved credit limit; or, we may honor checks, ESL Bill Pay transactions and reoccurring ACH debit transactions drawn on insufficient funds pursuant to our Courtesy Pay agreement (refer to the Courtesy Pay Section in this Agreement). ESL is not required to send you prior notice before a check is returned for insufficient funds. You may want to ensure that you are covered by taking advantage of our Cash Reserve or other account protection programs. For information regarding overdrawing Health Savings Accounts, please refer to the section above titled **FOR HEALTH SAVINGS ACCOUNTS ONLY.**

IRA MONEY MAKER SHARE ACCOUNT

30. FOR IRA MONEY MAKER ACCOUNTS ONLY: Our IRA Money Maker is a variable rate account. If your daily balance is \$50,000 or more, the dividend rate paid on the entire balance in your account will be _____% with an annual percentage yield (APY) of _____. If your daily balance is \$25,000 or more but less than \$50,000, the dividend rate paid on the entire balance in your account will be _____% with an APY of _____. If your daily balance is \$10,000 or more but less than \$25,000, the dividend rate paid on the entire balance in your account will be _____% with an APY of _____. If your daily balance is \$2,500 or more but less than \$10,000, the dividend rate paid

on the entire balance in your account will be _____% with an APY of _____. If your daily balance is less than \$2,500, the dividend rate paid on the entire balance in your account will be _____% with an APY of _____. Your dividend rate and APY may change after the account is opened. We use the daily balance method to calculate dividends on your account. This method applies a daily periodic rate to the principal and dividends in the account each day. At our sole discretion, we may change the dividend rate on your account at any time. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks) is credited to your account. Dividends are compounded monthly and credited on the last day of the month. If you close your accounts before the dividends are credited, you will receive the dividends accrued at the time of closing.

There is no minimum balance required to open this account.

This account does not have check writing privileges. No pre-authorized, automatic, ATM or telephone transfers to another account will be allowed. ESL reserves the right to require at least seven days notice prior to withdrawal or transfer of any funds in this account.

DAILY DIVIDEND ACCOUNT, SECURED CREDIT CARD DAILY DIVIDEND ACCOUNT AND FIRST HOME CLUB DAILY DIVIDEND ACCOUNT

31. FOR DAILY DIVIDEND ACCOUNT ONLY: The Daily Dividend is a variable rate account. The dividend rate for your account is _____% with an annual percentage yield (APY) of _____. Your dividend rate paid and APY may change after the account is opened. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal and dividends in the account each day. At our sole discretion, we may change the dividend rate on your account at any time. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks), is credited to your account. Dividends are compounded daily and are credited on the last day of each quarter. If you close your account before the dividends are credited, you will receive the dividends accrued at the time of closing.

You must deposit at least \$1.00 to open this account.

There is a limit of six withdrawals a month that you can make by a pre-authorized, automatic or telephone transfer, including Internet transfers, to another account with us or to a third party. If you exceed any of these transaction limits, in any statement period, your account will be subject to a fee (refer to a Fee Schedule for the exact fee charged), and ESL may close your account. ESL reserves the right to require at least seven days notice prior to withdrawal or transfer of any funds in this account.

32. FOR SECURED CREDIT CARD DAILY DIVIDEND ACCOUNT ONLY: The Secured Credit Card Daily Dividend is a variable rate account. The dividend rate for your account is _____% with an annual percentage yield (APY) of _____. Your dividend

are paid and we may change into the account opened. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal and dividends in the account each day. At our sole discretion, we may change the dividend rate on your account at any time. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks), is credited to your account. Dividends are compounded daily and are credited on the last day of each quarter. If you close your account before the dividends are credited, you will receive the dividends accrued at the time of closing.

You must deposit at least \$300.00 to open and maintain this account.

This account is pledged as collateral for all sums due us under your ESL Visa Secured Credit Card account.

After the account is opened, you may not make any withdrawals from your account unless we agree at the time you request the withdrawal. Accumulated dividends may be withdrawn at any time upon your request. If we agree to a withdrawal greater than any accumulated dividends, you will be required to close this account and your ESL Visa Secured Credit Card account and return all cards issued in connection with this account to us, if any. For withdrawals greater than any accumulated dividends, we will first apply the amounts in your account towards the payment of all amounts you owe on your ESL Visa Secured Credit Card account, including interest, costs and fees, before paying out any excess proceeds from a withdrawal to you. Excess proceeds from a withdrawal will be paid to you up to 35 days after this account is closed. ESL reserves the right to require at least seven days notice prior to withdrawal or transfer of any funds in this account.

After the account is opened, you may only make deposits that we agree to allow at the time you request the deposit.

33. FOR FIRST HOME CLUB DAILY DIVIDEND ACCOUNT ONLY: To open a First Home Club (FHC) Daily Dividend Account, you must be enrolled in the FHC of the Federal Home Loan Bank of New York (FHLBNY). Deposits and withdrawals from your FHC account are subject to the requirements of the FHLBNY and are reportable to the FHLBNY. Please refer to your FHC Enrollment Terms and Conditions for more information regarding your FHC account.

The FHC Daily Dividend is a variable rate account. The dividend rate for your account is ____% with an annual percentage yield (APY) of ____%. Your dividend rate paid and APY may change after the account is opened. We use the daily balance method to calculate the dividends on your account. This method applies a daily periodic rate to the principal and dividends in the account each day. At our sole discretion, we may change the dividend rate on your account at any time. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks), is credited to your account. Dividends are compounded daily and are credited on the last day of each quarter. If you close your account before the dividends are

credited, you will receive the dividends accrued at the time of closing.

You must deposit at least \$1.00 to open and maintain this account.

After the account is opened, you may not make any withdrawals from your account unless we agree at the time you request the withdrawal. If we agree to a withdrawal, any withdrawal that does not directly relate to a home purchase may result in ineligibility for matching funds under the FHC. It is your responsibility to spend your FHC funds for qualified home purchase expenses.

There is a limit of six withdrawals a month that you can make by a pre-authorized, automatic or telephone transfer, including Internet transfers, to another account with us or to a third party. If you exceed any of these transaction limits, in any statement period, your account will be subject to a fee (refer to a Fee Schedule for the exact fee charged), and ESL may close your account. ESL reserves the right to require at least seven days notice prior to withdrawal or transfer of any funds in this account.

DIVIDENDS

34. ESL is a voluntary not-for-profit cooperative institution. As a member, you are also an owner. Dividend payments made to you represent your return on your investment in this financial cooperative.

Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. Your dividend rate paid and annual percentage yield may change after the account is opened. At our sole discretion, we may change the dividend rate on your account by any amount at any time. Dividends begin to accrue on the business day your deposit, including non-cash items (for example, checks), is credited to your account.

From time to time the board of directors may, in its sole discretion, declare an extraordinary dividend (such as the Owners' Dividend) on some or all member accounts. Payment of an Owners' Dividend is not guaranteed.

OTHER TERMS AND CONDITIONS

35. The relationship between you and us is primarily governed by this Agreement. It is also governed by our bylaws, New York State laws, federal laws and the applicable rules and regulations of proper authorities, including but not limited to the Federal Reserve System, the National Credit Union Administration and National Automated Clearing House Association. The accounts governed by this Agreement are deemed to reside in New York State, which may or may not be the state you reside in.

36. The terms and conditions of this Agreement or our Fee Schedule may change from time to time to the extent permitted by law. Change in terms notices regarding specific

accounts will be made in accordance with applicable law and regulation through normal ESL communications. These include, but are not limited to, our periodic statements, our website (esl.org), emails if you have chosen to receive electronic periodic statements and disclosures.

37. We may modify, terminate or suspend the Courtesy Pay service at any time without prior notice, and we reserve the right to limit the Courtesy Pay service to one account per household or member without notice of reason or cause. In no event shall any modification, termination or suspension relieve you of your obligation to repay such sums already overdrafted and other fees related to this service. We can delay enforcing any of our rights under this Agreement without losing them.

38. We reserve the right to waive any term in this Agreement. Any waiver shall not affect our right to future enforcement and is not sufficient to modify the terms of this Agreement. Modification of the terms of this Agreement must be in writing and authorized by an officer of the credit union.

39. We will communicate with you at the most recent address you have provided to us. If at any time your personal information changes, including but not limited to your name, address, home, work or cell phone number or email address, you agree to provide us this information. For security purposes, we will not accept oral notices of a name change. The credit union reserves the right to destroy any mail returned to us as undeliverable.

40. Any written notice required to be provided by ESL is effective when deposited in the United States mail or sent to you via electronic means if you accepted delivery in that manner. Any written notice you give to ESL is effective when it is actually received by ESL. Notice to one account owner is considered notice to all account owners.

41. When ESL receives items for deposit or collection, ESL acts as a collection agent and assumes no responsibility beyond the exercise of due care. If you request special handling instructions, you must place these instructions in writing to ESL at the same time you present the item. We will not give effect to any special instructions given to us through an ATM. All deposit items are provisionally credited to your account and subject to final payment. If you deposit an item denominated in foreign currency, final credit will be determined by the exchange rate in effect at the time when ESL receives final payment. ESL may charge back any item to your account at any time before final payment. If after final payment, someone makes a claim that an item was altered, forged, unauthorized or should not have been paid for some other reason, we may hold the funds until a final determination has been made as to ownership of the funds.

42. Any financial service provided by ESL may be used for any transaction permitted by law. You agree that illegal use of any financial service will be deemed an action of default and breach of the terms and conditions of this Agreement and will cause such service and other related services to be terminated by the credit union. You further agree, should illegal use occur, to waive any right to sue ESL for such illegal use or any activity directly or

43. If any legal action is taken against your account, including but not limited to attachment, garnishment or levy, ESL reserves the right to impose a fee against funds on deposit and to refuse to allow any withdrawals from the account until the matter is resolved. If, by reason of the account hold due to the legal process, checks are returned against your account, ESL will not be liable to you for any costs or losses resulting from the check return. If ESL incurs any costs (including court costs and reasonable attorney's fees) relating to the account because of such legal process, you agree to reimburse ESL. ESL reserves the right to exercise its statutory and contractual liens and any right of offset against your account, if applicable, as a result of receiving an attachment, garnishment or levy against your account.

44. If your account is inactive for the period of time defined by New York State law, ESL is required to turn over the funds in the account to the appropriate state department. After funds have been sent to the state, we have no further liability to you for such funds.

45. You may make withdrawals or transfers from your account in any manner which is permitted by the credit union (such as check, ATM, in person, by mail, by telephone and automatic transfer, as applicable). Withdrawals are generally made first from finally collected funds and, unless prohibited by law or the credit union's funds availability policy, ESL reserves the right to refuse to pay any check or other item drawn against uncollected funds, impose a fee for such item or both. The credit union may pay checks or other items drawn upon your account (including those payable to the credit union or on which the credit union may be liable) in any order determined by the credit union, even if paying a particular check or item results in an insufficient balance in your account to pay one or more other items that otherwise could have been paid out of your account.

When making a telephone or fax transfer, you must give us your name, account numbers, signature and answers to certain questions to provide us with identification information for security purposes.

46. You recognize that the credit union has adopted the general standard of the financial services industry of automated collection and payment procedures so that it can process the greatest volume of checks and other items at the lowest possible cost to all its members. In recognition of this, you agree that in paying or taking an item for collection, the credit union may disregard all information on the item other than information that is encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with other information on the item. You agree to reimburse the credit union for any loss or expense, including without limitation court costs and reasonable attorney's fees to the extent permitted by law, that we incur because you issue or deposit an item containing incorrect or insufficient information.

You also agree we do not fail to exercise good faith and ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

47. You agree to pay any service fees that apply to your account. The Fee Schedule contains a list of the credit union's fees.

All service fees are subject to change from time to time at our sole discretion. A reasonable period of time will be given before any changes become effective.

48. Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service a percentage of dividends, interest and certain other payments. If you fail to provide your correct TIN, we reserve the right to suspend opening your account.

49. You agree to reimburse ESL for any loss caused by the use of any of your accounts, including but not limited to, late charges and collections fees, including court costs and reasonable attorney's fees. You authorize ESL to deduct any such costs from any share account you have with the credit union.

50. The balances in checking accounts may be internally classified to minimize the amount of funds ESL must maintain to meet the reserve requirements of Federal Regulation D. To do this, the checking account will consist of a transaction sub-account and a savings sub-account. ESL may periodically transfer funds between these two sub-accounts. These sub-accounts exist solely on the books of ESL and will not affect your available balance, dividends you may earn, NCUA insurance protection, monthly statement, or any other feature of this account.

51. If any terms of this Agreement come into conflict with applicable law or a court of competent jurisdiction holds any portion of this Agreement to be invalid or unenforceable, those terms will be nullified to the extent they are inconsistent with the law. All other terms of this Agreement will be valid and enforceable and continue in full force and effect.

52. This Agreement supersedes any prior agreement between you and ESL. Continued use of the credit union services is consent to and acceptance of the terms and conditions in this Agreement.

FUNDS AVAILABILITY POLICY

General Policy: Our policy is to make your funds available to you as expeditiously as possible using safe and sound business practices.

In some cases, we will not make all of the funds that you deposit by check immediately available to you. Electronic direct deposits will be available on the day we receive the deposit. Depending on the type of check that you deposit, funds may

not be available until the second business day after the day of your deposit.

Generally, the first \$200 of your deposit will be available on the business day of your deposit.

However, the first \$1,000 of your deposit will be available on the business day of your deposit if:

- You are a member in good standing, AND
- You have an average monthly share balance of at least \$100 OR you have a current loan with us, other than a Cash Reserve Loan.

The full amount of your deposit will be available on the business day of your deposit if:

- You have been a member of ESL for at least five years, AND
- You are a member in good standing, AND
- You have an average monthly share balance of at least \$5,000 OR you have a current loan with us, other than a Cash Reserve Loan or a Visa Credit Card.

If we are not going to make all of the funds immediately available to you, we will provide you with a notice at the time you make the deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you need the funds right away, you should ask us when the funds will be available.

Longer Delay May Apply: Funds you deposit by check may be delayed for longer periods under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You deposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the past six months.
- There is an emergency, such as a failure of communication or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. Funds will generally be available no later than the seventh business day after the day of your deposit.

Special Rules for New Accounts: If you are a new member, the following special rules will apply during the first 30 days your account is open:

The first \$200 of your deposit will be available on the business day of your deposit for checks other than Special Checks. For Special Checks, the full amount will be immediately available on the day we receive your deposit if the checks are payable to you. Amounts in excess of the \$200 for checks other than Special Checks will be available on the second business day after the day of deposit.

Special Checks: The full amount of checks deposited by the payee will be available immediately. Special Checks include:

- U.S. Treasury checks payable to you.
- Federal Reserve Bank checks, Federal Home Loan checks and U.S. Postal Money Orders payable to you.
- Cashier's checks, certified checks and teller checks payable to you.
- State and local government checks payable to you.
- Checks or share drafts drawn on ESL Federal Credit Union.
- Checks issued by Eastman Kodak Company Savings and Investment Plan.
- Annuity checks issued by a life insurance company.
- Checks issued by employers within the credit union's Field of Membership.

All Checks: Amounts over the immediate availability amount will generally be available on the second business day after the day of deposit.

Third-Party Special Checks (Special Checks which are not payable to you): Amounts over the immediate availability amount will be available as follows:

- All checks will generally be available on the second business day after the day of deposit.

Automatic Teller Machine (ATM) Deposits: Generally, the first \$200, \$1,000 or the full amount (as described above) of your deposit will be available immediately. The remainder of your deposit will be available no later than the second business day after the day of the deposit (additional delays may apply). U.S. Treasury checks deposited at an ESL ATM will be available on the next business day after the day of deposit. Accrual of dividends on ATM deposits will begin on the day you make the deposit. A maximum of two ATM deposits is allowed each calendar day.

No-Envelope Automatic Teller Machine (ATM) Deposits: Cash deposited at a No-Envelope ATM will be available immediately. Generally, the first \$200, \$1,000 or the full amount (as described above) of checks deposited will be available immediately. The remainder of your deposit will be available no later than the second business day after the day of the deposit (additional delays may apply). U.S. Treasury checks deposited at an ESL ATM will be available on the next business day after the day of deposit. Accrual of dividends on No-Envelope ATM deposits will begin on the day you make the deposit. A maximum of two ATM deposits is allowed each calendar day.

Electronic Deposits: Funds from electronic wire transfers will be made available on the business day we receive the deposit. ACH transactions will be made available on the business day ESL credits the transaction to your account. Accrual of dividends on electronic deposits will begin on the day we receive the deposit.

Mobile Deposits: Generally, the first \$200 or \$1,000 (as described above) of your deposit will be available no later than

the next business day after we receive the deposit (additional delays may apply). Deposits made through the Mobile Deposit Service are subject to the deposit limits set forth in the ESL Federal Credit Union Mobile Deposit Service Agreement. The Mobile Deposit Service does not recognize Special Checks and holds may apply. Accrual of dividends on deposits made through the Mobile Deposit Service will begin on the day we receive the deposit.

Definition of Business Day: For determining the availability of your deposit, every day is a business day except Saturdays, Sundays and federal holidays. If you make a deposit at a branch on a business day we are open during our business hours, we will consider that day to be the day of your deposit. However, if you make a deposit on a day we are closed or on a day we are open but after our business hours, we will consider that the deposit was made on the next business day we are open.

Drop Box Deposits: If you make a deposit on a day that is not a business day or after the time posted on the drop box, we will consider that the deposit was made on the next business day we are open.

If your deposit is a check where the ESL Funds Availability Policy would normally be delayed, we may make funds from the deposit available for withdrawal immediately, but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

SUBSTITUTE CHECK RIGHTS

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks.

This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn

from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to a dividend on the amount of your refund if your account is a dividend-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus a dividend if your account earns dividends) within 10 business days after we received your claim and the remainder of your refund (plus a dividend if your account earns dividends) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any dividend on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; AND
- A copy of the substitute check and/or the following information to help us identify the substitute check: the check number, the name of the person to whom you wrote the check, the amount of the check.

COURTESY PAY

Pursuant to our commitment to provide valued service and benefits, we may pay checks or other items/transactions ("Item" or "Items"), which would cause your share draft account to have a negative (or further negative) balance (herein "overdraft"), pursuant to the terms and conditions of this Agreement.

The Courtesy Pay service is not a loan or other credit product and requires no application or credit approval process. The Courtesy Pay service is for members and will only be applied to your share draft (checking) account(s), such as Free Checking and Premier Checking, if:

- You maintain your membership in good standing;
- Your share draft account was opened more than 60 days;

Your share draft account must be funded with at least \$1.00 for a period not less than 30 days before the Item was presented to ESL for payment;

- Your loan and credit card accounts you have with us are current;
- Your share draft account is brought to a positive end-of-day available balance at least once every 20 days;
- There are no legal or administrative orders, including attachments, garnishments, or levies against your accounts with us;
- There are no pending bankruptcies or financial counseling arrangements;
- There is no negative balance on any other share account on which you are an owner;
- The primary account holder is 18 years of age or older and the share draft account is not an account set up by a fiduciary.

ANY SUCH PAYMENT WILL BE MADE ON A CASE BY CASE BASIS, AT OUR SOLE DISCRETION.

However, we shall not pay any item if your negative checking account balance is, or if we were to make payment pursuant to this Agreement would become, greater than \$500 in a Free Checking Account or \$1,000 in a Premier Checking Account including any applicable fees. You will be notified of any nonsufficient funds Item that has been paid or returned; however, you understand that ESL has no obligation to notify you before we pay or return any item.

We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.

For any overdrafts created, you promise to pay us upon demand all sums, including the fees and charges for this service, advanced to you or any other person you permit to use your share draft account and who causes an overdraft on your share draft account.

An Overdraft/Insufficient Funds fee will be charged to your share draft account, in accordance with our Fee Schedule, for each overdraft Item that is cleared on your share draft account. In addition, an Overdraft/Insufficient Funds fee will be charged by ESL for each "insufficient funds" item presented for payment and returned unpaid on a share draft account.

You will be in default under the terms of this Agreement if you do not comply with any of the terms and conditions of this Agreement or you are in default on any loan obligation with us or a negative balance default exists in any other share account with us on which you are an owner. If you are in default, we may temporarily suspend overdraft privileges or terminate the Courtesy Pay service or close your share draft account and demand immediate payment of the entire unpaid negative balance.

If you receive a direct deposit of your monthly Social Security payment into your checking account and do not want the Courtesy Pay service, you must inform us in writing to stop ESL from paying your overdrafts with these funds.

FOR CURRENT RATE INFORMATION

Savings Rate Line: 585.336.1000
800.848.2265

TDD Service: 585.336.1399
800.243.6722

Hours: 7:00 AM–7:00 PM Monday–Friday
8:30 AM–2:00 PM Saturday (Eastern Time)